

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7064**

**BILL NUMBER:** HB 1554

**NOTE PREPARED:** Apr 14, 2009

**BILL AMENDED:** Apr 14, 2009

**SUBJECT:** Clean Energy Vehicles.

**FIRST AUTHOR:** Rep. Battles

**FIRST SPONSOR:** Sen. Gard

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) *Alternative Fuel Fueling Station Grants:* The bill allows the Office of Energy and Defense Development (OEDD) to award grants to certain businesses and local government units that make qualified investments after June 30, 2009, to install and place into service in Indiana fueling stations that dispense alternative fuel (defined as liquefied petroleum gas, a compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product).

It provides that not more than one grant may be awarded for a single location, and it provides that the amount of a grant awarded for a location may not exceed the lesser of: (1) the amount of the grant recipient's qualified investment for the location; or (2) \$20,000. The bill also provides that the amount of a grant awarded for a location may be less than the amount of the grant recipient's qualified investment for the location. It provides that the total amount of grants awarded for all state fiscal years may not exceed \$1 M.

*Alternative Fuel Fueling Station Grant Fund:* The bill establishes the Alternative Fuel Fueling Station Grant Fund to award the grants, and provides that the OEDD shall administer the Fund.

*Qualified Purchases:* It allows the OEDD to award grants to certain local government units that make qualified purchases after June 30, 2009, of:

- (1) one or more alternative fuel vehicles; or
- (2) one or more alternative fuel conversion kits.

The bill provides that not more than one grant may be awarded to any one unit. It also provides that the amount of a grant that may be awarded to a unit is the sum of: (1) \$2,000 multiplied by the number of

alternative fuel vehicles purchased; plus (2) for each alternative fuel conversion kit purchased, an amount equal to the lesser of \$2,000 or the actual cost of the conversion kit. The bill provides that the OEDD may limit number of alternative fuel vehicles or alternative fuel conversion kits for which a unit may receive a grant, and it provides that the total amount of grants awarded for all units may not exceed \$1 M.

*Local Unit Alternative Fuel Vehicle Grant:* The bill establishes the Local Unit Alternative Fuel Vehicle Grant Fund to award the grants, and it provides that the OEDD shall administer the Fund.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** (Revised) *Summary* - This bill would increase state expenditures by establishing grant programs for alternative fuel fueling stations and alternative vehicle purchases. However, the bill could result in cost savings with the promotion of the use of alternative fuel vehicles. The bill does not contain an appropriation for the grant programs.

*Office of Energy and Defense Development (OEDD):* This bill would increase administrative expenditures for the OEDD. The bill requires the OEDD to adopt guidelines to determine standards for awarding grants under the Alternative Fuel Fueling Station Grant Program and the Local Unit Alternative Fuel Vehicle Grant Program for local units. The current level of resources should be sufficient to implement the provisions of the bill.

(Revised) **Background-**

*Alternative Fuel Fueling Station Grant Program:* This bill establishes the Alternative Fuel Fueling Station Grant Program. The program is funded by the Alternative Fuel Fueling Station Grant Fund. The fund consists of money appropriated by the General Assembly, money received from state or federal grants or programs for alternative fuels projects and donations, gifts, and money received from any other source, including transfers from other funds or accounts. The bill provides that the amount of a grant awarded for a location may not exceed the lesser of the amount of the recipient's qualified investment or \$20,000. The bill provides that the OEDD may not award more than one grant for a single location. The bill also provides that the total amount of grants awarded for all state fiscal years may not exceed \$1 M.

*Alternative Fuel Vehicle Grant Program for Local Units:* This bill also establishes the Alternative Fuel Vehicle Grant Program for local units. The program is funded by the Alternative Fuel Vehicle Grant Fund. The fund consists of money appropriated by the General Assembly, money received from state or federal grants or programs for alternative fuels projects and donations, gifts, and money received from any other source, including transfers from other funds or accounts. This bill would decrease local expenditures for purchases of Alternative Fuel vehicles and conversion kits. Local units may receive grants for qualified purchases of Alternative Fuel vehicles or Alternative Fuel conversion kits (including installation costs). A local unit may receive a grant award of \$2,000 for each Alternative Fuel vehicle purchased and an amount equal to the lesser of \$2,000 or the actual cost for each Alternative Fuel conversion kit purchased. The bill also provides that the total amount of grants awarded for all state fiscal years may not exceed \$1M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures* regarding the Alternative Fuel Fueling Station Grant Program and the Alternative Vehicle Grant Program for Local Units. [Currently, there

are 14 compressed natural gas fueling stations and 31 propane fueling stations in Indiana.]

**Explanation of Local Revenues:**

**State Agencies Affected:** OEDD.

**Local Agencies Affected:**

**Information Sources:** U.S. Department of Energy, Alternative Fuels & Advanced Vehicles Data Center.  
[http://www.afdc.energy.gov/afdc/progs/ind\\_state.php/IN/CNG](http://www.afdc.energy.gov/afdc/progs/ind_state.php/IN/CNG) and  
[http://www.afdc.energy.gov/afdc/progs/ind\\_state.php/IN/LPG](http://www.afdc.energy.gov/afdc/progs/ind_state.php/IN/LPG)

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